

## Message Text

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43

ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 GSA-02 INT-05 COME-00

TRSE-00 CIAE-00 INR-07 NSAE-00 STR-04 PA-02 PRS-01

USIA-15 AID-05 IGA-01 /072 W  
----- 044594

R 251230Z APR 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 6462

INFO AMEMBASSY LONDON

UNCLAS LA PAZ 2918

E.O. 11652: N/A

TAGS: EMIN, ETRD, EFIN, BL

SUBJECT: TIN EXPORT CONTROLS

REF: (A) LONDON 6192 (B) STATE 93869

1. DIARIO (DAILY) OF APRIL 24 CARRIED FRONT PAGE ARTICLE TITLED:  
"GSA CONTRIBUTED TO FALL OF TIN." ARTICLE STATES THAT GSA SOLD  
6,000 TONS IN FIRST QUARTER OF 1975, THEREBY WEAKENING PRICES TO  
POINT THAT INTERNATIONAL TIN COUNCIL (ITC) HAD TO DECIDE TO CONTROL  
EXPORTS FOR 74 DAY PERIOD "WITH SERIOUS ECONOMIC CONSEQUENCES  
ESPECIALLY FOR BOLIVIA" AS BOLIVIA'S PRODUCTION COSTS ARE  
RELATIVELY HIGH.

2. ARTICLE STATES ITC BOUGHT 8,000 TONS F TIN DURING FIRST QUARTER.  
THIS FIGURE AGREES WITH INFO SUPPLIED BY TRADE SOURCES WHO ALSO  
STATE THAT ITC NOW HAS FINANCIAL RESOURCES TO BUY ONLY ABOUT 2,000  
MORE TONS. LATTER STATEMENT DOES NOT APPEAR TO TAKE INTO ACCOUNT  
8 MILLION POUND STERLING STAND BY FACILITY MENTIONED IN ITS  
COMMUNIQUE (REF A).

3. PRESS CONTINUES TO INDICATE POSSIBILITY GOB WILL DECIDE TO  
CREATE A TIN RESERVE FUND (FONDO DE RESERVAS DE ESTANO) TO MAINTAIN  
PRODUCTION WHILE REDUCING EXPORTS BY THE REQUIRED 18 PERCENT. GOB  
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WOULD BUY DIFFERENCE, MAINTAIN STOCKPILE UNTIL CONTROLS ENDED AND

SELL AS PRICES RISE. REPORTEDLY GOB HAS NEVER ADOPTED SUCH A POLICY DURING PAST EXPORT CONTROL PERIODS.

4. GOB SEEKING IMF FINANCING FOR ITS US\$ 5.9 MILLION CONTRIBUTION INCREASE TO ITC BUFFER STOCK MANAGER'S FUND (TO BE PAID BY MAY 8). IF IMF REFUSES, GOB PROBABLY WILL ARRANGE CENTRAL BANK FINANCING TO BE REPAID BY TIN MINING SECTOR OVER TIME. GOB'S OWN TIN RESERVE FUND PROBABLY WOULD ALSO BE FINANCED BY CENTRAL BANK AND WOULD PRESUMABLY REQUIRE ABOUT US\$ 7 MILLION FOR 74 DAY EXPORT CONTROL PERIOD.

5. GOB EXPORT CONTROL COMMITTEE HAS BEEN ESTABLISHED BUT QUOTAS FOR MINING SUBSECTORS AND INDIVIDUAL COMPANIES HAVE NOT YET BEEN SET. COMIBOL (STATE MINING COMPANY) HAS ANNOUNCED IT WILL MAINTAIN PRODUCTION LEVELS EVEN IF GOB TIN RESERVE FUND NOT ESTABLISHED.

7. COMMENT. WE FIND IT DIFFICULT TO BELIEVE GSA HAS SOLD 6,000 TONS IN FIRST QUARTER AS INFO AVAILABLE TO US INDICATES ONLY VERY SMALL AMOUNTS WERE SOLD IN MOST OF FIRST QUARTER. ACTION REQUESTED: WOULD APPRECIATE INFO ON GSA SALES DURING FIRST QUARTER INCLUDING TOTAL VOLUME SOLD EACH MONTH AND WHETHER SOLD ON BASIS OF FIVE DAY MOVING AVERAGE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TIN, PRESS COMMENTS, EXPORT CONTROLS, FINANCIAL CONTRIBUTIONS, SALES DATA  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
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**Disposition Reason:**  
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**To:** STATE  
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